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REWALD ASSOCIATE ADMITS FRAUD  
HONOLULU, HAWAII

An associate of former investment counselor Ronald Rewald has admitted that he knowingly helped defraud investors in the now-defunct company he and Rewald operated.

Sunlin L. S. "Sunny" Wong, 35, pleaded guilty in U.S. District Court on Thursday to one charge each of mail and securities fraud.

He entered his pleas several hours after being indicted by a federal grand jury. The plea-bargain calls for him to testify against others involved in the case.

Wong was released on his own recognizance pending sentencing July 23. He faces a possible 10-year prison term and fines of \$11,000.

Wong was president, secretary and a director of Bishop, Baldwin, Rewald, Dillingham and Wong, which collapsed shortly after a suicide attempt by Rewald last July 29. Like Rewald, Wong was a 50 percent stockholder.

The company invested only \$630,000 of the \$22 million paid into the company by 400 investors, according to the 22-page indictment.

The rest, it said, was diverted to Rewald's "lavish lifestyle," Wong's \$100,000-a-year salary and payment of salaries and "interest" to create a "false facade of legitimate investment activity."

Wong and Rewald engaged in activities that gave the appearance of substantial investment activity, "when in fact the actual investment of investors' money was virtually non-existent," the indictment said.

Rewald was not charged in the federal case, but U.S. Attorney Daniel Bent said the investigation is continuing.

Rewald faces state charges of theft in connection with the operation. He is free on bond and is in San Francisco looking for a job.

Reached at the San Francisco office of his attorney, Melvin Belli, Rewald denied Wong's court admission.

"I knew he was making a deal with the government, but I didn't think he would lie about it," Rewald said.

Samuel P. King Jr., Rewald's attorney in the state case, questioned whether a jury would believe Wong now that is he a confessed swindler.

Rewald maintains that he set up and operated the company at the request of the Central Intelligence Agency. The government has denied the claim, although court records indicate the company did provide cover for at least one CIA agent.

Thomas Hayes, court-appointed trustee in the bankruptcy case against the company, said the federal charges bear out his view that the CIA connection doesn't explain or excuse the loss of millions of dollars of investor money.